

4-5 GEORGE V.

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

A. 1914

DOCUMENTS

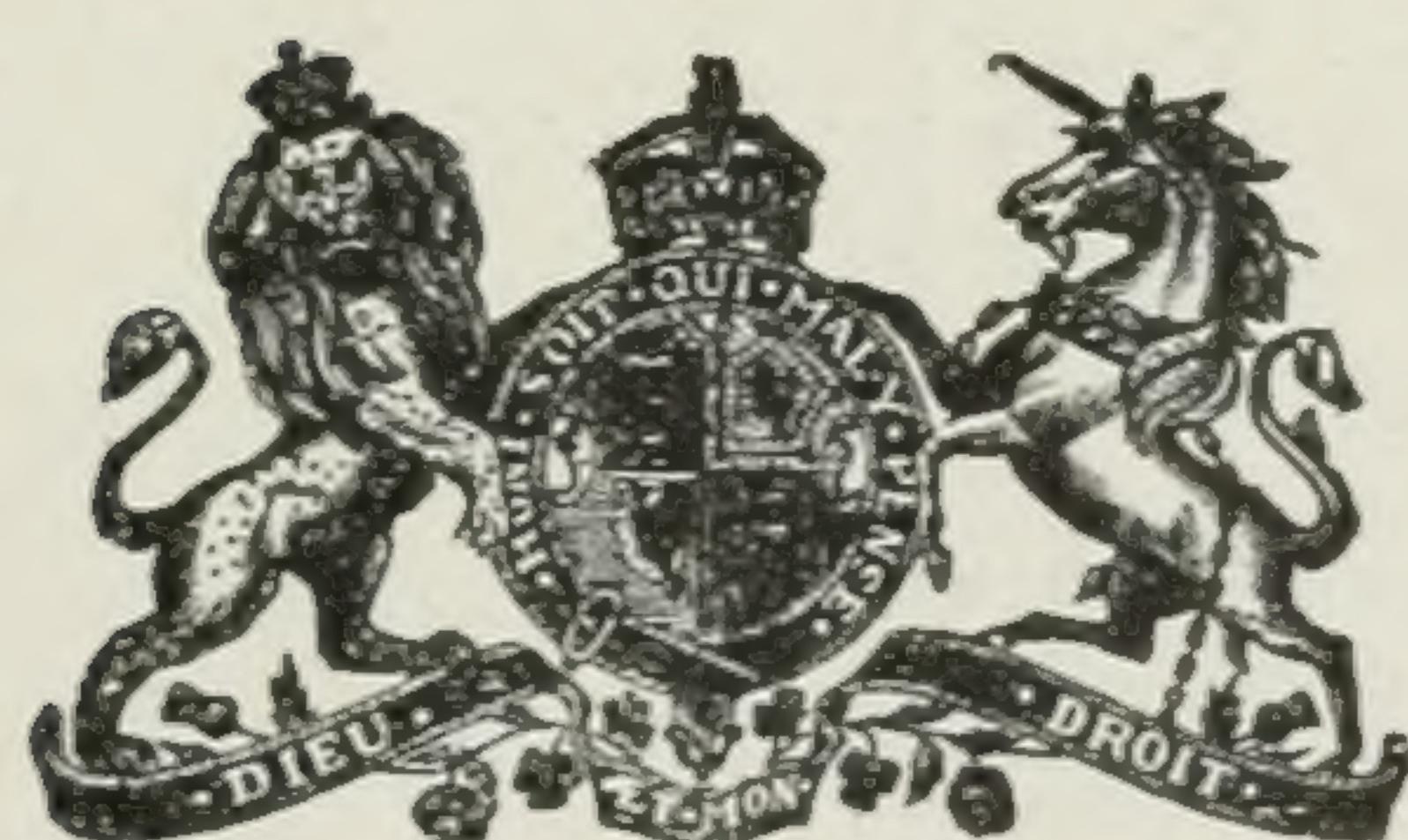
RELATIVE TO THE

GOVERNMENT GUARANTEE

OF THE

BONDS OF THE CANADIAN NORTHERN RAILWAY

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

PRINTED BY J. DE L. TACHÉ, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1914

Canadian Northern Railway System.

- 1.—Correspondence, including official application.
- 2.—Detailed statements showing particulars of capitalization, earnings, cost to complete, &c.

OTTAWA, March 5th, 1914.

To the Right Honourable

R. L. BORDEN,

Premier of Canada.

DEAR SIR,—For the reasons mentioned in the memoranda and statements respecting the Canadian Northern Railway System, submitted, it is essential that the Company should receive further Government aid. The amount required is Forty-two Million Dollars (\$42,000,000).

Recognizing the difficulties in the way of a cash loan, I beg to apply for a guarantee of securities to the extent of Forty-five Million Dollars (\$45,000,000), par value. The discount on the disposal of these securities would probably reduce the proceeds below the Forty-two Million Dollars (\$42,000,000).

I have the honour to be,

Your obedient servant,

Wm. MACKENZIE,

President.

OTTAWA, March 6th, 1914.

To the Right Honourable R. L. BORDEN,

Premier of Canada,

Ottawa, Ont.

DEAR SIR,—It has been suggested that an agreement should be made between the Canadian Northern Railway and the Government in connection with the Company's application for assistance, providing for an exchange of traffic between the Company's lines of railway and the Intercolonial Railway at Quebec. To an arrangement of this kind, the Company is agreeable, and it is suggested that the arrangement should be of such nature that the Intercolonial would secure all the benefits, from traffic originating on the Company's lines and consigned to points on the Intercolonial Railway, that it would have were it the eastern part of the Canadian Northern Railway System. Naturally, the Canadian Northern would expect the same benefits from traffic originating on the lines of the Intercolonial Railway.

I am convinced that an arrangement of this kind is practical and would result in benefit to the two railway systems affected, and if the members of your Government are of the same opinion, I would suggest that provision be made in such legislation as may be passed in connection with the Company's application for aid, empowering the interested parties to enter into the necessary agreements.

Yours very truly,

Wm. MACKENZIE,

President.

INFORMATION REQUIRED FROM THE CANADIAN NORTHERN RAILWAY.

REQUIRED—A TABULAR STATEMENT SHOWING:

1. The Charters of the various Companies constituting the C. N. R. System, with dates and appropriate references.
2. The length of each line and the Provinces within which it is situate and its termini.
3. Its present or proposed connection with the whole system.
4. Its capitalization showing both authorized and issued capital.
5. Its cost up to the present time.
6. The amount, if any, required to complete.
7. The aid received therefor in (a) cash, or (b) lands, from (a) the Federal Government, (b) any Provincial Government or Governments, and (c) any municipality.
8. The aid received therefor in guarantee of securities by (a) the Federal Government, or (b) any Provincial Government.
9. The fixed charges thereon with particulars of the date when (a) the principal and (b) the interest is due.
10. The present earnings both (a) gross and (b) net.
11. The estimated earnings both (a) gross and (b) net, during the years 1914-15-16-17-18 respectively.

CANADIAN NORTHERN RAILWAY SYSTEM.

LENGTH OF EACH LINE AND THE PROVINCES WITHIN WHICH IT IS SITUATE, AND ITS TERMINI.

	In operation.	Track laid not in operation.	Grade completed. No track laid.	Grade not complete but under contract.
Canadian Northern Railway..... Lines in Provinces of Alberta, Saskatchewan, Manitoba and Ontario. Termini—Edmonton & Port Arthur.	4931·98	164·33	250·85	
Canadian Northern Alberta Ry..... Lines in Province of Alberta. Termini—Edmonton and Yellowhead Pass.	22·00	229·18		
Canadian Northern Western Ry..... Lines in Province of Alberta. Termini—Various Branch Lines.		188·80	154·62	
Canadian Northern Saskatchewan Ry..... Lines in Province of Saskatchewan. Termini—Various Branch Lines.			32·72	
Canadian Northern Pacific Ry..... Lines in Province of British Columbia. Termini—Vancouver, Yellowhead Pass. Vancouver Island—Victoria and Alberni.		260·05	264·33	162·35
Duluth, Winnipeg & Pacific Ry..... Lines in State of Minnesota. Termini—Duluth and Fort Francis.	171·6			
Canadian Northern Ontario Ry..... Lines in Provinces of Ontario and Quebec. Termini—Port Arthur, Montreal, Toronto.	698·8	699·9	128·00	58·25
Canadian Northern Quebec Ry..... Lines in Province of Quebec. Termini—Quebec, Montreal, Hawkesbury.	362·23			
Quebec & Lake St. John Ry..... Lines in Province of Quebec. Termini—Quebec and Roberval.	285·4			
Halifax & South W. Ry..... Province of Nova Scotia. Termini—Halifax and Yarmouth.	370·5			
Central Ontario Railway..... Lines in Province of Ontario. Termini—Picton and Rathburn.	155·4			
Bay of Quinte Railway..... Lines in Province of Ontario. Termini—Bannockburn and Deseronto.	55·0			
Irondale, Bancroft & Ottawa Ry..... Lines in Province of Ontario. Termini—Bancroft Jct., Kinmount Jct.	54·7			
Marmora Railway & Mining Co..... Lines in Province of Ontario. Termini—Marmora, Wariston.	9·6			
Brockville, Westport & N. W. Ry..... Lines in Province of Ontario. Termini—Brockville, Westport.	44·3			
Niagara, St. Catharines & Toronto Ry..... Lines in Province of Ontario. Termini—Niagara Falls, Pt. Colborne, Pt. Dalhousie.	75·00			
	7,236·51	1,542·26	850·52	230·8

CANADIAN NORTHERN RAILWAY SYSTEM.

REQUIREMENTS TO COMPLETE.

1. Canadian Northern Pacific Ry. British Columbia Section.....\$	23,647,492
2. Canadian Northern Railway. Main line and branches already un- der construction.....	15,042,896
3. Canadian Northern Ontario Ry. Montreal-Port Arthur and Toronto- Ottawa.....	18,251,891
4. Canadian Northern Tunnel & Terminal Co. Montreal Terminals.....	5,995,734
5. Rolling Stock. Equipment for Transcontinental and maturing Equipment Notes....	27,441,086
6. Betterments. Ballasting, Permanent Improvements including heavy rails on balance Main line.....	10,000,000
	\$ 100,379,099
Proceeds of Securities which will be Issued in respect to above ex- penditures and Cash in Trust accounts, for construction.	
Canadian Northern Pacific Ry. C.N.P. Ry. 4½% Deb. Stock and Sub- sidy.....\$	6,704,097
New Securities.....	4,854,500
Canadian Northern Railway. Proceeds of Securities in hand and to be earned against above.....	7,634,497
Canadian Northern Ontario Railway. Proceeds of Securities in hand and subsidy to be earned.....	16,788,822
Canadian Northern Tunnel & Terminal Co. Proceeds of Terminal Securities.....	5,995,734
Rolling Stock. 4½% Equipment Bonds.....	16,496,332
Balance to be provided.....	\$ 41,905,117

Certified correct:

A. J. MITCHELL,

D. B. HANNA.

SESSIONAL PAPERS Nos. 269b, j, j, l, m.

CANADIAN NORTHERN RAILWAY SYSTEM.

AID RECEIVED FROM DOMINION AND PROVINCIAL GOVERNMENTS (a) CASH—
(b) LANDS.

(a) CASH—DOMINION GOVERNMENT.

Canadian Northern Railway.....	\$ 2,000,332
Swan River Section.....	374,606
O. & R. R. Ry.....	1,534,526
E. Y. & P. Ry.....	91,200
Canadian Northern Alberta Ry.....	2,832,024
Canadian Northern Ontario Ry.....	10,124,470
Hutton Branch.....	176,832
Toronto-Sudbury.....	1,696,128
Toronto-Ottawa.....	1,363,122
Hawkesbury-Ottawa.....	369,872
Ottawa-Port Arthur.....	6,518,516
Canadian Northern Quebec Ry.....	707,568
Garneau-Quebec.....	523,820
St. Jerome Branch.....	97,280
Rawdon Branch.....	86,468
Canadian Northern Pacific Ry.	
Vancouver-Yellowhead.....	4,349,930
Halifax & South Western Ry.....	1,364,210
	<hr/>
	\$ 21,378,534

(b) LANDS—DOMINION GOVERNMENT.

No land was granted direct to Canadian Northern Railway, but this Company has received from the Contractors who constructed the Lake Manitoba Railway & Canal Company, the Winnipeg & Hudson's Bay Railway and the Manitoba & South Eastern Railway, 4,002,848 acres.

AID RECEIVED FROM DOMINION AND PROVINCIAL GOVERNMENTS:
(a) CASH, (b) LANDS.

(a) CASH—PROVINCIAL GOVERNMENTS.

Canadian Northern Railway:

O. & R.R. Ry.....	\$1,072,800
Halifax & South Western Ry.....	2,804,450

CANADIAN NORTHERN RAILWAY SYSTEM—Continued.

(b) LANDS—PROVINCIAL GOVERNMENTS.

Canadian Northern Ontario Ry.

The Government of Ontario granted—Sudbury—Port Arthur 4,000 acres per mile for 500 miles.

Note.—These lands have not yet been selected, and no money has been raised on them.

Canadian Northern Quebec Ry.

The Government of Quebec granted:

Garneau and Quebec.....	77.4	Mileage.
Limoilou.....	7.62	
Main line to Bridge.....	5.16	
St. Jerome Branch.....	15.2	
St. Jacques to Rawdon.....	15.96	
Montreal—Grenville.....	65.00	

} 360,760 acres.

Note:—These lands have not yet been selected, and no money has been raised on them.

Quebec & Lake St. John Ry.

The Government of Quebec granted:

Valcartier.....	3.8	24,900 acres.
Gosford.....	4.5	

AID RECEIVED FROM DOMINION AND PROVINCIAL GOVERNMENTS.
(a) — CASH — MUNICIPALITY.

Canadian Northern Railway:

City of Port Arthur.....\$ 50,000

Canadian Northern Ontario Ry:

James Bay Railway—Town of Parry Sound 20,000

AID RECEIVED BY GUARANTEE OF SECURITIES.

(a)—FEDERAL GOVERNMENT.

Canadian Northern Railway:.....\$ 17,256,584

Main line, (3%).....\$	9,359,996
Prince Albert Branch (3%), Branch lines (3½%).....	7,896,588

Canadian Northern Ontario Railway.....\$ 34,066,666

Montreal—Port Arthur (3½%). Total guaranteed.....\$	35,770,000
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SESSIONAL PAPERS Nos. 269b, i, j, l, m.

CANADIAN NORTHERN RAILWAY SYSTEM—Continued.

Canadian Northern Alberta Railway.....	\$	6,719,998
Edmonton—Yellowhead (3½%)		
1st Section.....	\$	3,149,998
2nd Section.....		3,570,000
		<hr/>
		\$58,043,248

NOTE.—Issue of Canadian Northern Alberta Ry.
=3,570,000 not yet sold.

(b) PROVINCIAL GOVERNMENTS.

Canadian Northern Railway:		
Alberta Government,—		
Branch Lines in Alberta.....	\$	6,560,000
Saskatchewan Government,—		
Branch lines in Saskatchewan.....		8,030,000
Manitoba Government,—		
Branch lines in Manitoba.....		23,849,630
Canadian Northern Ontario Railway:		
Ontario Government.....		7,860,000
Canadian Northern Pacific Railway:		.
British Columbia Government—		
Main lines and branches }		
Terminals }		24,126,573
Canadian Northern Western Railway:		
Alberta Government,—		
Branch lines in Alberta.....		6,424,000
		<hr/>
		\$76,850,203

NOTE.—The figure above represent securities issued and sold.

CANADIAN NORTHERN RAILWAY SYSTEM.

SUMMARY OF FIXED CHARGES FOR THE YEAR.

	Amount Outstanding.	Annual Interest.
	\$ cts.	\$ cts.
Canadian Northern Railway.....	165,483,693 57	7,096,651 14
Equipment Securities.....	23,746,000 00	1,034,316 25
Affiliated Companies.....	116,995,665 02	4,544,041 55
Leased Lines—		
Minnesota and Manitoba Railway.....		13,960 00
Northern Pacific Rental.....		225,000 00
Qu'Appelle, Long Lake and Saskatchewan Railway.....	5,051,463 73	202,056 02
	<hr/>	
	311,276,822 32	13,116,024 96
LESS—		
Interest on income Charge Convertible Bonds.....		1,250,000 00
	<hr/>	
		11,866,024 96

CANADIAN NORTHERN RAILWAY SYSTEM—Continued.

STATEMENT of Gross Earnings, Operating Expenses and Net Earnings of all lines embraced under the general title of Canadian Northern Railway System, for the fiscal year ended 30th June, 1913.

	Gross Earnings.	Operating Expenses.	Net Earnings.
Canadian Northern Railway.....	\$ 24,527,478	17,503,610	7,023,868
Canadian Northern Ontario Ry.....	1,280,524	1,230,213	50,311
Canadian Northern Quebec Ry.....	1,599,546	1,313,585	285,961
Quebec & Lake St. John Ry.....	959,380	823,847	135,533
Central Ontario Ry.....	375,048	243,024	132,024
Bay of Quinte Ry.....	257,271	221,051	36,220
Irondale, Bancroft & Ottawa Ry.....	30,384	23,967	6,417
Niagara, St. Catharines & Toronto Ry.....	475,360	326,905	148,455
Halifax & South Western Ry.....	531,338	528,217	3,121
Brockville, Westport & N. W. Ry.....	76,447	51,149	25,298
Duluth, Winnipeg & Pacific Ry. (es.).....	1,700,000	1,086,110	613,890
	31,812,776	23,351,678	8,461,098
Deduct fixed charges on Outstanding Securities.....			6,950,380
Surplus.....			1,510,718

NOTE.—Surplus available to pay interest on 5% Income Charge Convertible Stock amounting to \$1,250,000 00.

As to the traffic future of the Canadian Northern Railway Company, it is difficult to forecast the earning power of the completed line with certainty, but Mr. D. B. Hanna, the Company's third Vice-President, who has had long experience in the operation of railways in Western and Eastern Canada, submits the following statement as an estimate of the results during the first three years after the System has been operating in accordance with present plans.

The estimate of gross earnings is on the very conservative basis of the percentage increases for the past five years of the lines of the System in actual operation and inasmuch as a part of the mileage has been disconnected and confined to a local short haul business, operation as a united trunk system should result in much greater per mile revenue.

	FOR THE YEAR ENDING 30TH JUNE		
	1916	1917	1918
Gross earnings.....	\$ 54,000,000	\$ 61,000,000	\$ 67,000,000
Operating Expenses.....	38,880,000	43,300,000	46,900,000
Net earnings.....	15,120,000	17,700,000	20,100,000
Fixed charges, including Interest on securities at present applied for.....	12,607,115	14,019,615	14,807,115
Surplus.....	2,512,885	3,680,385	5,292,885
LESS—Interest on 5% Income Debenture Stock.....	1,250,000	1,250,000	1,250,000
	1,262,885	2,430,385	4,012,885

NOTE.—Under the terms of the British Columbia guarantee, if during the first three years after beginning operation, the Net Earnings of the Company are not sufficient to meet the interest on the Guaranteed Bonds, the Government is to advance the Interest.

Similar provisions are made respecting the Dominion Guarantee of the Bonds on the Canadian Northern Ontario Railway between Montreal and Port Arthur.

CANADIAN NORTHERN RAILWAY SYSTEM.

ALL LINES—SUMMARY SHEET.

CANADIAN NORTHERN RAILWAY CO.

15

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

ESTIMATED COST OF BETTERMENTS.

Name of Railway.	Miles in operation.	Grade complete no track laid.	Grade not complete but under contract.	Amount req'd to complete construction.	ESTIMATED COST OF BETTERMENTS.						
					Ballast	Rails.	Additional sidings.	Buildings	Filling trestles and bldg. permanent bridges.	Replacing light steel bridges.	Terminal Facilities.
No. 1. Can. Nor. Pacific Ry.	260	264	155	23,647,492							
No. 2. Can. Nor. Alberta Ry.	22	229	523	959							45,000
No. 3. Can. Nor. Western Ry.	189	154	310	088	25,000						8,005,000
No. 4. Canadian Northern Ry.	164	251	93	5,402,712	712,000	3,850,000	125,000	307,000	2,030,000	125,000	856,000
No. 13. Can. Nor. Sask. Ry.	4,932	33	12	457,847							
No. 5. Can. Nor. Ontario Ry.	699	700	52	11,645,467	16,000	130,000	15,000	4,000	275,000	390,000	830,000
No. 6. Irondale, Bancroft & Ottawa Railway	55										
No. 7. Central Ontario Railway	165										
No. 8. Bay of Quinte Ry.	55										
No. 9. Brockville, Westport & North Western Ry.	44										
No. 10. Can. Nor. Quebec Ry.	351		20	11	25,000	250,000					870,000
No. 11. Quebec and Lake St. John Ry.	293				35,000	155,000					175,000
No. 12. Halifax & S-W. Ry.	370					15,000	5,000	20,000			75,000
No. 13. Duluth, Wpg. & Pac. Ry.	172										
	7,161	1,542	850	323 41,987,565	813,000	4,400,000	165,000	331,000	2,570,000	865,000	856,000
											10,000,000
Proceeds of securities earned or available against the above											
Balance											

Note.—The amount proposed to be expended on betterments, &c., has been distributed to the best of our knowledge, but it must not be assumed as restricting us in using the funds for other betterments if it is found that the expenditure on such betterments are in the best interests of the Road.

Montreal Terminals..... \$ 5,995,734
Construction as above..... 41,987,565

Sub-contractors' accounts, &c., not in above, see accompanying Statement:

Western Lines

Eastern Lines

Rolling Stock
Betterments

14,954,714	
27,441,086	
10,000 000	
\$ 100,379,099	
58,473,982	
\$ 41,905,117	

Certified Correct,
D. B. HANNA, A. J. MITCHELL.

Ottawa, 14th March, 1914.

DOMINION GOVERNMENT GUARANTEE

4-5 GEORGE V., A. 1914

MINES IN BRITISH COLUMBIA.

APPROXIMATE ESTIMATE OF BETTERMENTS FOR 6 YEARS									
Main Line, Section or Branch Line.	Miles in Operation	Track Laid, not in Operation	Grade not completed under Contract.	Amount req'd to complete construction.	Approx. date to complete	Filling Trestles and bldg.	Replacing Light Steel Bridges.	Ballast. Rails.	Sidings Build- ings. Addit- ional.
						From	To		
No. 1. Can. Nor Pacific Ry...	Main Line...	New West-minster...	Yellowhead...	66	\$17,808,827 Oct. 1914				
	Branch Line...	"	Kamloops...	4	Complete				
No. 1.	"	"	"	11	344,964 Oct. 1914				
No. 1.	"	"	"	75					
(Lulu Island)	Main Line...	"	Victoria...	71	4,731,413 July 1915				
	Branch Line...	"	"	15	762,288 Oct. 1914				
No. 1.	"	"	"	260					
No. 1.	"	"	"	155	23,647,492				

CANADIAN NORTHERN RAILWAY SYSTEM.

LINES BETWEEN MONTREAL AND PORT ARTHUR.

CANADIAN NORTHERN RAILWAY CO.

17

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

No	Name of Railway.	Main Line, Section or Branch Line.	TERMINI.		Grade not com- plete, but under contract	Amount req'd to complete construct'n.	Approx. date of completion.	APPROXIMATE ESTIMATE OF BETTERMENTS FOR 6 YEARS.							
			From:	To:				Miles in Oper- ation.	Track laid, not in oper- ation.	Grade com'd. Not tract laid.	Sidings addit'l.	Rails.	Filling trestles and big per- manent bridges	Re- placing light steel bridges	Ter- minal Facili- ties.	Total.
5. C. N. Ont. Ry	Main Line.	Montreal	Pt. Arthur.	142	700	128	\$	\$	\$	\$	\$	\$	\$	\$	686,000
" "	"	Rideau Jet.	East Don Jc.	245	52	11,387	324	Dec.	1914	16,000	130,000	150,000	390,000	144,000	
" "	"	Toronto.	Capreol.	276		258,143	July		1914			4,000	125,000		
5.	Branch Line.	Udney	Atherley Jct.	10						15,000					
5.	"	Key Jet.	Koy Harbor	6											
5.	"	Sudbury	Jet.Sudbury	8											
5.	"	Garrison	Jet. Garrison Mine	4											
5.	"	"	Sellwood Jc. Sellwood	5											
5.	"	Spur.	Oshawa.	3											
					699	700	128	52	11,645	467	16,000	130,000	15,000	4,000	275,000
															330,000
6. Irondale Ban-	Ban-	Kinnmount													
croft & Ottawa.	Branch.	croft													
"	"	Picton													
7. Central Ont. R.	"	Wallace &													
		Coe Hill..													
8. Bay of Quinte	"	Yarker	Bannock-												
Railway.			burn....												
9. Brockville Westport & N.	"		Brockville	Westport...											
W. Railway.															

A. T. STEWART,
Chief Engineer.

14 March, 1914.

269b, i, j, l, m.—2

DOMINION GOVERNMENT GUARANTEE

4-5 GEORGE V., A. 1914

APPROXIMATE ESTIMATE OF BETTERMENTS FOR 6 YEARS.

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

					28,472	Dec.	1914	10,000
4. Can. Nor. Ry. Branch Line..	Pr. Albert	Denholm...	117	57	21	176,039	Dec.	1914
4. Shelbrook	Big River..					"X"		
4. " "	Sturgis....					23		
4. " "	North....					10		
4. " "	Carleton..							
4. " "	N. Battle-							
4. " "	ford Mervino....							
4. " "	Battleford Jct.	Battleford...	8					
4. " "	Vegreville	Munson....	163	47				
4. " "	Camrose	Strathcona...						
4. " "	Edmonton	Athabasca...	94					
4. " "	Edmonton	Stoney Plains...	21					
4. " "	Edmonton	Strathcona...	7					
4. " "	Red Deer	Lacombe...						
4. " "	Calgary	Macleod...						
4. " "			4,932	164	251	93	5,402,712	307,000 2,030,000
4. " "				22	229			125,000
2. Can. N.A. Ry. Main Line....	St. Albert	Yellowhead						
3. C. N.W. Ry. Branch Line..	Camrose, S.E.							
3. " "	Warden	Brazeau...						
3. " "	"	Strathcona						
3. " "	"	Calgary...						
3. " "	"	Onoway						
3. " "	"	Peace River						
3. " "	"	Oliver						
3. " "	"	North...						
3. " "	"	Bruderheim						
3. " "	"	Easterly...						
3. C. N. Sask. Ry. Branch Line.	Wroxton	Yorkton...						
3. " "								
269b, i, j, l, m.—2½								

J. N. HEMGOOD,
Chief Engineer.
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CANADIAN NORTHERN RAILWAY SYSTEM.
LINES EAST OF MONTREAL.

DOMINION GOVERNMENT GUARANTEE

4-5 GEORGE V., A. 1914

APPROXIMATE ESTIMATE OF BETTERMENTS FOR 6 YEARS.

A. F. STEWART, Chief Engineer.

14th March, 1911.

SESSIONAL PAPERS Nos. 269b, j, j, l, m.

CANADIAN NORTHERN RAILWAY SYSTEM.

CAPITAL STOCK AUTHORIZED AND ISSUED, OF THE COMPANIES SET OUT IN THE FIRST SCHEDULE.

Company.	Authorized.	Issued.
Bay of Quinte Railway Company.....	\$ 1,500,000 00	\$ 1,395,000 00
Canadian Northern Railway Company.....	92,900,000 00	77,000,000 00
Canadian Northern Pacific Railway Company.....	25,000,000 00	25,000,000 00
Canadian Northern Alberta Railway Company.....	3,000,000 00	3,000,000 00
Canadian Northern Western Railway Company.....	6,000,000 00	2,000,000 00
Canadian Northern Saskatchewan Railway Company.....	5,000,000 00	1,000,000 00
Canadian Northern Manitoba Railway Company.....	1,000,000 00	Nil
Canadian Northern Ontario Railway Company.....	50,000,000 00	10,000,000 00
Canadian Northern Quebec Railway Company.....	12,500,000 00	9,550,000 00
Canadian Northern Railway Express Company Limited.....	1,000,000 00	1,000,000 00
**Canadian Northern Transfer Company.....	500,000 00	**500,000 00
Canadian Northern Telegraph Company.....	5,000,000 00	500,000 00
Canadian Northern Steamships Limited.....	2,000,000 00	2,000,000 00
Canadian Northern System Terminals Limited.....	2,000,000 00	2,000,000 00
Central Ontario Railway Company.....	3,340,000 00	3,331,000 00
Duluth, Winnipeg & Pacific Railway Company.....	6,000,000 00	6,000,000 00
Halifax & South Western Railway Company.....	1,000,000 00	1,000,000 00
Irondale, Bancroft & Ottawa Railway Company.....	100,000 00	53,500 00
Lake Superior Terminals Company Limited.....	1,000,000 00	500,000 00
Minnesota & Ontario Bridge Company.....	100,000 00	100,000 00
Minnesota & Manitoba Railroad Company.....	1,000,000 00	400,000 00
Marmora Railway & Mining Company.....	100,000 00	100,000 00
Mount Royal Tunnel & Terminal Company Limited.....	5,000,000 00	Nil
Niagara, St. Catharines & Toronto Railway Company.....	1,000,000 00	925,000 00
Quebec & Lake St. John Railway Company.....	6,000,000 00	4,524,000 00
Qu'Appelle, Long Lake & Saskatchewan Railroad & Steamboat Company.....	£ 200,000 00	\$ 201,000 00
St. Boniface & Western Land Company.....	\$ 250,000 00	250,000 00
Winnipeg Land Company, Ltd.....	100,000 00	100,000 00
Northern Consolidated Holding Company.....	8,000,000 00	6,181,500 00
		\$158,611,000 00

*When issued will be issued to Canadian Northern Railway Company.

**Owned by the Canadian Northern Railway Express Company, Ltd.

***None issued at present;—when issued will be issued to the Canadian Northern Railway Company.

OTTAWA, March 31st, 1914.

SIR,—The undersigned have the honour to transmit you herewith certain statements as of December 31st, 1913, bearing on the financing of the Canadian Northern Railway System; namely:—

(Partially printed.)

1. Grouping and Mileage Statement.
2. Statement showing total receipts and expenditure on Construction, Betterments and Equipments.
3. Statement showing expenditure on Construction and Equipment through the Contractors, Messrs. Mackenzie, Mann & Company.
4. Statement showing expenditure on Betterments and Equipment, chargeable to Capital.
5. Statement of Capital Stock, authorized and issued.
6. Statement of Securities issued, showing:—
 - (a) Line.
 - (b) Class of Security, and rate of interest carried.
 - (c) Par value.
 - (d) Fixed charges.
 - (e) Proceeds.
 - (f) Bank interest on balances.
 - (g) Rate of interest on balances.
 - (h) Total proceeds.
 - (i) Withdrawals through Messrs. Mackenzie, Mann & Company on Construction Account.
 - (j) Withdrawals through Canadian Northern Railway Co.
 - (k) Total withdrawals.
 - (l) Balances on hand in bank.
- Also supporting statements as follows:—
 - (a1) Statement showing amount of securities deposited as collateral.
 - (a2) Statement showing authority for various issues.
 - (a3) Statement showing charters of various Companies.
 - (a4) Memorandum *re* Bonding Powers.
 - (a5) Statement showing reconciliation of expenditure through Contractors, Messrs. Mackenzie, Mann & Company.
 - (a6) Statement showing due dates of principal and interest.
7. Statement showing Cash Subsidies from all sources.
8. Land Statement.
9. Equipment Summary.
10. Due Dates of Principal and interest of Equipment Securities.

The undersigned have verified these statements from the entries in the ledgers of the Head Office of the Company at Toronto, and of the Contractors, Messrs. Mackenzie, Mann & Company of the same place.

With regard to the lines west of Port Arthur, the books of the construction of the lines in British Columbia are kept in Vancouver, and the books of the construction of the lines between Port Arthur and Yellowhead Pass are kept in Winnipeg. From these offices, monthly statements are forwarded to the Head Office in Toronto, and from these statements, we have verified the expenditure on construction relative to that portion of the System.

4-5 GEORGE V., A. 1914

We would direct attention to the fact that the Railway Company have received any benefits accruing from such subsidiary Companies, as the Express and Telegraph Companies, Steamship Companies, and certain benefits from the Townsite Companies.

Our work in Toronto was greatly facilitated by the evident desire on the part of the officials of the Canadian Northern Railway and of the Contractors, Messrs. Mackenzie, Mann & Company to place in our hands all the books, memoranda, etc. pertaining to our work.

We have the honour to be,
Sir,

Your obedient servants,
G. A. BELL,

Financial Comptroller, Department of Railways and Canals.

S. L. SHANNON,
Comptroller & Treasurer, Canadian Government Railways.

J. C. SAUNDERS,

Chief Accountant & Dominion Bookkeeper, Department of Finance.

The Right Honourable

R. L. BORDEN, M.P.,
Prime Minister of Canada,
Ottawa, Ont.

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

The Canadian Northern Railway System dealt with in the statements submitted,
including the following lines:—

	In operation.	Track laid not in operation.	Grade completed. No track laid.	Grade not complete under contract.
Canadian Northern Pacific Ry..... Lines in Province of British Columbia. Termini—Vancouver, Yellowhead Pass. Vancouver Island:—Victoria, Alberni.		260·05	264·33	162·35
Canadian Northern Alberta Ry..... Lines in Province of Alberta. Termini—Edmonton and Yellowhead Pass.	22·00	229·10		
Canadian Northern Railway..... Lines in Province of Alberta, Saskatchewan, Manitoba and Ontario. Termini—Edmonton and Port Arthur.	4,931·98	164·33	250·35	
Canadian Northern Western Ry..... Lines in Province of Alberta. Termini—Various Branch Lines.		188·80	154·82	
Canadian Northern Saskatchewan Ry..... Lines in Province of Saskatchewan. Termini—Various Branch Lines.			32·72	
Duluth, Winnipeg & Pacific Ry..... Lines in State of Minnesota. Termini—Duluth and Ft. Frances.	171·6			
Canadian Northern Ontario Ry..... Lines in Provinces of Ontario and Quebec. Termini—Port Arthur, Montreal, Toronto.	698·8	699·9	128·0	58·25
Central Ontario Railway..... Lines in Province of Ontario. Termini—Picton and Rathburn.	155·4			
Bay of Quinte Railway..... Lines in Province of Ontario. Termini—Bannockburn and Deseronto.	55·0			
Irondale, Bancroft & Ottawa Ry..... Lines in Province of Ontario. Termini—Bancroft Jet., Kinmount Jet.	54·7			
Marmora Railway & Mining Co:..... Lines in Province of Ontario. Termini—Marmora, Wariston.	9·6			
Brockville, Westport & N. W. Ry..... Lines in Province of Ontario. Termini—Brockville, Westport.	44·3			
Canadian Northern Quebec Ry..... Lines in Province of Quebec. Termini—Quebec, Montreal, Hawkesbury.	362·23			
Quebec & Lake St. John Ry..... Lines in Province of Quebec. Termini—Quebec and Roberval.	285·4			
Halifax & South Western Ry. Province of Nova Scotia. Termini—Halifax and Yarmouth.	370·5			
	7,161·51	1,542·26	850·52	230·8

4-5 GEORGE V., A. 1914

CANADIAN NORTHERN RAILWAY SYSTEM.

Statement of Receipts available for construction, Betterments, Equipments, etc.

Total proceeds as per statement.....\$ 246,768,389.16

Less Bank Balance for construction purpose

held by Trustees..... 29,729,078.81

Total receipts from Securities.....\$ 217,039,310.35

Cash Subsidies..... 25,323,780.22

Net receipts from Land Sales..... 7,842,466.83

Receipts from Equipment Mortgages..... 32,811,467.87

Halifax & South Western Ry. Land A C..... 175,090 11

Halifax & Yarmouth Bonds..... 675,000 00

Sundry Accounts..... 724,189 42

Total Receipts,.....\$ 284,591,304 80

Due on construction..... 21,262,527 26

\$ 305,853,832 06

EXPENDITURE.

Construction as per statement.....\$ 244,670,169 24

Payments in reduction of Equipment

 Trusts..... 14,090,456 67

 Direct purchase of Equipment..... 1,500,596 19

 Direct purchase of Equipment, allied lines.. 794,699 33

Expenditure on Betterments..... 22,834,390 00

Acquired Securities, paid direct..... 5,435,612 52

Advances to Railway Companies allied to

 Canadian Northern Railway..... 12,726,418 46

Expenditure, Winnipeg Terminals, from
proceeds of Guaranteed Securities.... 3,801,489 65

\$ 305,853,832 06

MACKENZIE, MANN & COMPANY, LIMITED.

Statement showing amounts derived from Cash Subsidies received from Dominion Government, Provincial Governments, Municipalities and Guaranteed and other Securities.

Cash Subsidies—

 Dominion Government.....\$ 21,376,530 22

 Provincial Governments..... 3,877,250 00

 Municipalities..... 70,000 00

Securities—

 Guaranteed Securities..... 108,407,501 10

 Other Securities..... 89,676,360 66

\$ 223,407,641 98

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

EXPENDITURE.

Construction and Equipment.....	\$ 244,670,169	24
Due to Messrs. Mackenzie, Mann & Co.....	\$ 21,262,527	26

CANADIAN NORTHERN RAILWAY SYSTEM.

Expenditure on Construction through Contractors, Messrs Mackenzie, Mann & Co., to December 31st, 1913.

EXPENDITURE.

Halifax & South Western Ry.....	\$ 5,663,972	42
Canadian Northern Quebec.....	4,222,889	62
Canadian Northern Ontario.....	52,815,623	10
Canadian Northern-Lines (between Port Arthur and Yellowhead Pass).....	\$ 109,095,627	25
Port Arthur & Yellowhead Pass, Equipment Trusts.....	32,811,467	87
		141,907,095
Canadian Northern Pacific.....	34,760,907	76
Duluth, Winnipeg and Pacific.....	5,299,681	22
		\$ 244,670,169
		24

RECEIPTS.

Halifax & South Western.

Dom. of Canada-Cash Subsidy.....	\$ 1,364,210	00
Prov. of Nova Scotia Subsidy	2,804,450	00
Halifax & Yarmouth Ry. Bonds.....	675,000	00
Lands.....	\$ 300,000	00
Less Mtge.		
\$100,000	00	
Int.		
\$24,909	89	
	\$124,909	89
	\$ 175,090	11
	\$5,018,750	11

Canadian Northern Quebec.

Dom. of Canada Cash subsidy.....	\$ 707,563	83
4% Perpt. Guaranteed Deb. Stk.....	2,421,164	82

Canadian Northern Ontario.

James Bay— Dom. of Canada Cash subsidy.....	\$ 1,872,960	00
Town of Parry Sound Bonus.....	20,000	00

3½% Deb. Stk. Guaranteed by Ontario Government.....	\$ 5,591,977 96
Terminal Deb. Stk. Guaranteed by Ontario Government	965,000 00
Toronto to Ottawa.	
Dom. of Canada Cash Subsidy.....	1,363,122 39
Montreal-Port Arthur.	
Dom. of Canada Cash Subsidy.....	6,886,388 00
3½% D. Stock guaranteed by Dominion of Canada.....	20,149,256 53
4% D. Stock guaranteed by Can. Nor. Ont. Ry.....	6,882,713 13\$43,731,418 01
	\$51,878,896 77 \$244,670,169 24

Canadian Northern—Lines between Port Arthur and Yellowhead Pass.

Dom. of Canada Cash Subsidy, Can. Nor. Railway...	\$ 2,000,332 00
Dom. of Canada Cash Subsidy, Can. Nor. Alberta....	2,832,024 00
Ontario Government.....	1,072,800 00
C. N. Ry. 3% D. Stock guaranteed by Dom. of Can....	8,523,597 43
Can. Nor. Ry. 3½% D. Stk. guaranteed by Dom. of Can.	6,873,890 93
Can. Nor. Alberta, 3½% D. Stock, guaranteed by Dom. of Canada.....	4,391,077 30
Can. Nor. Ry. 4% Deb. Stk. guaranteed by Alberta Govt	7,866,929 64
C. N. Western 4½% D. Stk. guaranteed by Alberta Govt	2,407,230 70
C. N. Western 4½% Deb. Stock guaranteed by Alta. Govt.....	2,563,474 54
C. N. Ry. 4% Deb. Stock guaranteed by Saskatchewan Govt.....	8,695,043 96
C. N. Ry. 4% Deb. Stock guaranteed by Manitoba Government.....	12,437,344 33
C. N. Ry. 4% Deb. Stock guaranteed by Manitoba Government.....	2,987,173 33
Municipal Bonus, City of Port Arthur.....	50,000 00

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

Can. Nor. Ry., 4% Deb. Stk.

" 4% " " terminal

Accts... \$17,602,398 05

Can. Nor. Ry., 4% Land

Grant Bonds..... 3,679,125 30

Can. Nor. Ry., 5% Income

Bonds..... 12,875,175 99

Can. Nor. Ry., Land Mort-

gage Deb. Stock..... 6,200,000 00

Can. Nor. Ry., 5% Notes..... 1,650,000 00

Can. Nor. Ry., 4% D. S. gua-

ranteed by Prov. of Mani-

toba..... 4,001,734 33

 \$ 108,709,351 83

Canadian Northern Pacific.

Dom. of Can. Cash Subsidy... \$ 4,349,930 00

C. N. Pacific 4% Deb. Stock

guaranteed by B. C. Gov't.. 19,500,598 65

C. N. Pacific 4½% Deb.

Stock guaranteed by B. C.

Government..... 1,453,171 47

 \$25,303,700 12

Duluth, Winnipeg and Pacific.

D. W. & P. Ry., 4% Deb. Stk..... \$ 4,704,225 39

Imperial Rolling Stock Co..... 32,811,467 87 \$223,407,641 98

 Balance..... \$ 21,262,527 26

CANADIAN NORTHERN RAILWAY.

Statement showing amount derived from guaranteed Securities, Unguaranteed Securities and Land, other than that handled through Messrs MacKenzie, Mann & Co.

Unguaranteed Securities..... \$ 48,815,516 92

Guaranteed Securities..... 3,801,489 65

Land Funds..... 7,842,466 83

Sundry Accounts..... 724,189 42

 \$ 61,183,662 82

EXPENDITURE AGAINST ABOVE.

Payment in reduction of Equipment Trusts. \$ 14,090,456 67

Direct purchase of Equipment..... 1,500,596 19

Direct purchase of Equipment, Allied Lines. 794,699 33

Betterments..... 22,834,390 00

Acquired Securities..... 5,435,612 52

Advance to Railway Companies Allied to

Canadian Northern Ry..... 12,726,418 46

Winnipeg Terminals, etc..... 3,801,489 65

 \$ 61,183,662 82

4-5 GEORGE V., A. 1914

CANADIAN NORTHERN

31ST DECEMBER,

Line.	Securities Issued.	Fixed Charges.	Proceeds.	Interest on Proceeds.
CANADIAN NORTHERN RAILWAY.				
1. 3% Debenture Stock (Dom.).....	\$ 9,359,996.72	\$ 280,779.86	\$ 8,385,683.07	\$ 137,914.36
2. 3½% Debenture Stock (Dom.).....	7,896,590.00	276,380.52	7,514,054.12	208,399.04
3. 4% Debenture Stock (Sask.).....	(a) 8,030,000.00	321,200.00	9,703,668.98	204,211.13
4. 4% Debenture Stock (Alta.).....	(b) 6,776,541.33	271,149.25	8,860,048.09	175,298.11
5. 4% Debenture Stock (Man.).....	(c) 2,859,998.86	114,399.94	3,975,345.46	25,942.43
6. 4% Debenture Bond (Man.).....	12,437,496.66	489,761.86	12,437,344.33	.....
7. 4% Terminals (Man.).....	3,000,000.00	120,000.00	2,880,000.00	61,660.33
8. 4½% O. Division.....	164,980.00	7,424.10	5,458,307.33	.....
9. 4% O. Division (Man.).....	5,580,606.66	223,224.26	.....	.....
10. 4% Land.....	3,196,426.00	127,857.00	3,679,125.30	.....
11. 4% Debenture Stock.....	(d) 49,134,382.00	1,965,375.28	45,895,707.57	32,906.00
12. 5% Income.....	25,000,000.00	1,250,000.00	24,038,447.95	11,398.45
13. 5% Land.....	(1) 16,274,668.66	813,733.43	14,092,245.94	3,769.03
14. 6% Notes.....	(e) 3,500,000.00	210,000.00	.....	.....
15. 5% Notes.....	(f) 9,733,333.33	486,666.66	2,791,394.83	3,763.79
16. 5% Notes.....	(g) 2,190,000.00	109,500.00	647,003.13	.....
17. Equipment.....	23,746,000.00	1,034,316.25	.....	.....
18. Qu'Appelle L.L.S. 4%.....	5,051,463.73	202,056.02	.....	.....
CANADIAN NORTHERN ALBERTA RY.				
19. (3½ D. S.) (Dom.).....	(h) .....	.....	2,899,001.77	31,046.54
20. (3½ D. S.) (Dom.).....	3,149,998.66	110,249.94	2,890,179.03	72,018.15
CANADIAN NORTHERN WESTERN RY.				
21. 4½% Debenture Stock (Alta.).....	6,424,000.00	289,080.00	2,541,997.91	4,712.48
22. 4% Bonds.....	2,800,000.00	112,420.00	2,537,613.69	25,860.85
CANADIAN NORTHERN PACIFIC RY.				
23. 4% Debenture Stock (B.C.).....	(i) 16,412,001.13	656,480.00	19,500,598.65	235,735.11
24. 4½% Debenture Stock (B.C.).....	8,273,333.33	372,299.99	7,570,759.54	45,837.36
CANADIAN NORTHERN ONTARIO RY.				
25. 3½% Debenture Stock (Dom.).....	(j) 34,066,666.66	1,192,333.33	31,914,973.38	1,001,038.67
26. 3½% Debenture Stock (Ont.) J.B....	6,664,379.26	233,253.26	.....	174,557.50
27. 4% Debenture Stock.....	1,195,618.33	41,846.64	6,997,121.52	.....
	(k) 11,438,637.66	457,445.48	8,659,256.12	208,127.07
CENTRAL ONTARIO RY. Co.				
28. 5% Bonds.....	973,333.33	48,666.66	.....	.....
BAY OF QUINTE RAILWAY Co.				
29. 5% Bonds.....	830,000.00	41,500.00	.....	.....
30. MARMORA RAILWAY & MINING CO.				
31. THE BROCKVILLE WESTPORT & N.W. Ry. Co.....	.....	.....	.....	.....
32. THE IRONDALE BANCROFT & OTTAWA Ry. Co.....	450,000.00	22,500.00	.....	.....
CANADIAN NORTHERN QUEBEC.				
33. 4% Debenture Stock.....	5,250,369.26	210,014.76	2,496,366.58	.....

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

RAILWAY SYSTEM.

1913.

Rate of Interest.	Total Proceeds.	Withdrawals on Construction.	Other Withdrawals.	Total Withdrawals.	Balance on Hand.	
3%	\$ 8,523,597.43	\$ 8,523,597.43	\$	\$ 8,523,597.43	\$	
3%	7,723,053.16	6,873,890.93	.....	6,872,890.93	849,162.23	
3%	9,907,880.11	8,695,043.96	198,839.52	8,893,883.48	1,013,996.63	
3%	9,035,346.20	7,866,939.64	.....	7,866,929.64	1,168,416.56	
3%	4,001,287.79	2,987,173.33	.....	2,987,173.33	1,014,114.56	
.....	12,437,344.33	12,437,344.33	.....	12,437,344.33	.....
3%	2,941,660.33	.....	2,941,660.33	2,941,660.33	.....
.....	4,001,734.33	4,001,734.33	.....	4,001,734.33	.....
.....	3,679,125.30	3,679,125.30	.....	3,679,125.30	.....
3%	45,928,613.57	17,602,398.05	28,014,762.02	45,617,160.07	311,453.50	
3%	24,049,846.40	12,875,175.99	11,174,670.41	24,049,846.40	.....
3%	14,096,014.97	6,200,000.00	7,851,824.69	14,051,824.69	44,190.28	
3%	2,795,158.62	1,650,000.00	1,127,256.67	2,777,256.67	17,901.95	
.....	647,003.13	.....	647,003.13	647,003.13	Nil.	
.....	.....	.....	.....	.....	.....	Exchanged for Prior Lien bds. 1st Mtge. Income and Hotel.
3%	2,930,048.31	1,767,150.00	.....	1,162,898.31		
3%	2,962,197.13	2,623,927.30	.....	338,269.83		
3%	2,546,710.39	2,407,230.70	.....	2,407,230.70	139,479.69	
3%	2,489,696.13	.....	.....	.....	2,489,696.13	
3%	2,563,474.54	2,563,474.54	.....	2,563,474.54	.....
3%	19,736,333.76	19,500,598.65	235,735.11	19,736,333.76	.....
3%	7,616,596.90	1,453,171.47	45,837.36	1,499,008.83	6,117,588.07	
3%	32,916,012.05	20,149,256.53	379,417.33	20,528,673.86	12,387,338.19	
3%	7,171,679.02	6,556,977.96	.....	6,556,977.96	614,701.06	
3%	8,867,383.19	6,882,713.13	.....	6,882,713.13	1,984,670.06	
.....	.....	.....	.....	.....	.....	Outstanding Securities on acquired line.
.....	.....	.....	.....	.....	.....	Outstanding Securities on acquired line.
.....	.....	.....	.....	.....	.....	Acquired line.
.....	.....	.....	.....	.....	.....	Acquired line.
.....	.....	.....	.....	.....	.....	Outstanding Securities on acquired line.
.....	2,496,366.58	2,421,164.82	.....	2,421,164.82	.....	Retired— C. & N.— \$1,440,000 Q.N.B. & N.S.— 2,000,000 G.N.R. of C.— 1,514,500

DOMINION GOVERNMENT GUARANTEE

4-5 GEORGE V., A. 1914

CANADIAN NORTHERN

31ST DECEMBER,

Line.	Securities Issued.	Fixed Charges.	Proceeds.	Interest on Proceeds.
CANADIAN NORTHERN QUEBEC—Con.	\$	\$	\$	\$
34. 4% G.N.R.....	3,505,750.00	140,230.00	.....
35. 4% Q. L. & St. J.....	4,359,014.93	174,360.58	.....
DULUTH, WINNIPEG & PACIFIC.				
36. 4% Debenture Stock.....	6,646,323.92	265,852.96	4,650,919.94	53,305.45
37. 5% D. R. L. & W.....	2,000,000.00	100,000.00	.....
HALIFAX & SOUTH-WESTERN RY.				
38. 3½% Bonds.....	4,447,000.00	155,625.00	.....
	\$312,818,910.42	\$12,927,983.03	.....

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

RAILWAY SYSTEM.

1913.

Rate of Interest.	Total Proceeds.	Withdrawals on Construction.	Other Withdrawals.	Total Withdrawals.	Balance on Hand.	
	\$	\$	\$	\$	\$	
.....	.....	.....	.....	.....	.....	Retired G.N.R. 5% Bonds.
.....	.....	.....	.....	.....	.....	Retired— (a) 1st. Mortgage Bonds. (b) Prior Liens. (c) Income Bonds
3%	4,704,225 39	4,704,225 39	.....	4,704,225 39	.....	2nd Mtge. Bond— \$1,525,000 Outstanding Securi- ties on acquired line.
.....	.....	.....	.....	.....	.....	Retired Prior Liens.
	\$246,768,389 16	\$164,422,303 78	\$52,617,006 57	\$217,729,310 35	\$29,729,078 81	

DOMINION GOVERNMENT GUARANTEE

4-5 GEORGE V., A. 1914

CANADIAN NORTHERN RAILWAY SYSTEM.

CAPITAL STOCK—AUTHORIZED AND ISSUED.

Line.	Authorized.	Issued.	Held by or in trust for Can. Nor. Ry.	Held by M. M. & Co. and Associates.	Held by Govern- ment.	Held by Others.
			\$	\$	\$	\$
No. 1. Can. Nor. Ry.....	92,900,000	77,000,000		70,000,000	7,000,000	
2. Can. Nor. Alta. Ry....	3,000,000	3,000,000	3,000,000			
3. Can. Nor. West. Ry....	6,000,000	2,000,000	2,000,000			
4. Can. Nor. Sask. Ry....	5,000,000	1,000,000	1,000,000			
5. Can. Nor. Pac. Ry....	25,000,000	25,000,000	25,000,000			
6. Dul., Wpg. & Pac. Ry...	6,000,000	6,000,000	3,060,000	2,940,000		
7. Can. Nor. Ont. Ry.....	50,000,000	10,000,000	10,000,000			
"X" 8. Can. Nor. Que. Ry....	12,500,000	9,550,000		2,000,000		7,550,000
9. Que. & L. St. J. Ry....	6,000,000	4,524,000				521,200
10. Halifax & S.W. Ry....	1,000,000	1,000,000	1,000,000			
"XX" 11. Central Ont. Ry.....	3,340,000	3,331,000				
"XX" 12. Bay of Quinte Ry....	1,500,000	1,395,000				
"XX" 13. I. B. & O. Ry.....	100,000	53,500				
"XX" 14. Marmora Ry. & M. Co..	100,000	100,000				
"O" 15. Brockville, W. Ry....	2,000,000	900,000				
16. N. St. C. & Tor. Ry....	1,000,000	925,000		922,000		3,000
	\$215,440,000	\$145,778,500				

"X" Of \$7,550,000 Can. Nor. Que. Ry. Stock, \$5,144,600 is owned by the Northern Consolidated Holding Co., of whose stock Mackenzie, Mann & Co. own 71.9%.

"XX" Stock of Branch Lines No. 11-14 inclusive held for Can. Nor. Ry. for delivery on payment of cost price.

"O" The Brockville, Westport & N.W. Ry. was secured at Court Sale, and will be turned over to the Railway Co. on payment of cost.

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

- (a) C.N.R. Sask. Gt.—£500,000 deposited as security 5% notes—see 15—balance £1,650,000 shown issued here.
- (b) C.N.R. Alta. Gt.—£450,000 deposited as security 5% notes—see 15—£44,495 deposited as collateral to loan of £33,082 balance £1,192,440
- (c) C.N.R. Man. Gt.—£300,000, deposited as security 5% notes—see 15—balance £587,671.
- (d) C.N.R. 4% Con. Deb. Stk.—Securities deposited as collateral to 5% notes Nos. 15 and £16,927,261 not included here.
- (e) C.N.R. 6% Secured Notes.—Securities deposited as collateral to this issue £733,561, C.N.R. Alta 3½—see 19 and £293,837, C.N.O. 3½% Dominion Guar. Stock —see 25.
- (f) C.N.R. 5% Secured Notes.—Securities deposited as collateral to this issue as follows:—£450,000 C.N.R. Alta. Gt. Stock, £500,000 4% Sask. Gt. £300,000 C.N.R. 4% Man. Gt. Stock £550,000 C.N.Pac. 4% B.C. Gt. Deb. Stock, £750,000, C.N.R. 4% Perpetual Consolidated Deb. Stk.
- (g) C.N.R. 5% Secured Notes. —Securities deposited as collateral to the issue as follows:—£392,739, C. N.P. 4% B.C. Gt. D.S., £177,261, C.N.R. 4% Con. Per D.S.—see Nos. 23 and 11.
- (h) C.N.A. 3½% Dom. Guar. D.S.—Securities deposited as collateral to C.N.R. 6% notes, £733,561—see 14.
- (i) C.N.P. 4% B.C. Gt. D.S.—£550,000 and £392,739 deposited security to 5% notes—see Nos. 15 and 16.
- (j) C.N.O. 3½% Dom. Gt. D.S.—£293,837 deposited as part security to 6% notes—see 14.
- (k) C.N.O. 4% Deb. Stock.—£525,000 of this amount deposited as collateral to loan.
- (l) C.N.R. 5% Land Debentures.—£44,110 securities deposited as collateral to loan of £33,000—see 13.

CANADIAN NORTHERN RAILWAY SYSTEM.

CONSTRUCTION ACCOUNTS.

31st December 1913.

RECONCILIATION.

Total Receipts on Construction.....		\$ 223,407,641 98
Equipment.....	32,811,467 87	
H. & S. W. Land.....	175,090 11	
H. & Y. Bonds.....	675,000 00	
Subsidies.....	25,323,780 22	58,985,338 20

Receipts from Securities as per statement	\$ 164,422,303 78
---	-------------------

Statement of Cash Subsidies received from Dominion of Canada, Provincial Governments, and Municipalities, in aid of construction of lines.

Dominion of Canada.

Canadian Northern Ry.....	2,000,332 00
Canadian Northern Alberta.....	2,832,024 00
Canadian Northern Pacific.....	4,349,930 00
Canadian Northern Ontario.....	10,122,470 39
Canadian Northern Quebec.....	707,563 83
Halifax & South Western.....	1,364,210 00
	21,376,530 22

4-5 GEORGE V., A. 1914

Provincial Governments.

Province of Ontario, Canadian Northern.....	\$ 1,072,800 00
Province of Nova Scotia, H. & S. W. Ry.....	2,804,450 00
	————— \$ 3,877,250 00

Municipalities.

Town of Port Arthur.....	50,000 00
Town of Parry Sound.....	20,000 00
	————— 70,000 00
	————— \$ 25,323,780 22

CANADIAN NORTHERN RAILWAY SYSTEM.

MEMORANDUM re LAND GRANTS ON 31ST DECEMBER, 1913.

	Acres.	Acres.
Canadian Northern Ry. Co....	4,102,848	
Less retained by Mackenzie, Mann & Co.....	100,000	4,002,848
Total sales.....	3,145,312	
Balance unsold.....	857,536	
Cash realized from sales of land.....	\$16,524,805 42	
Cash realized from rents, etc.....	255,447 58	
	—————	16,780,253 00
Less, handed over to the Trustees.....	4,429,433 06	
Retained by Dom. Government on Transport agreement.....	353,048 87	
Expenses of Sales, Taxes, Surveys, etc.....	4,155,304 24	
	—————	8,937,786 17

Amount used from Land account by the C.N.R. for general purposes.....	\$ 7,842,466 83
--	-----------------

Canadian Northern Railway acquired from the Dominion Government 11,457 acres of land for Right of Way, and for Townsite purposes 16,517 acres. For the latter the Railway paid \$3.00 per acre.

Upon taking over the Qu'Appelle, Long Lake & Saskatchewan Railway, the land grant applicable thereto was retained by the vendors.

Canadian Northern Ontario Railway—

The Ontario Government granted the Canadian Northern Ontario Railway 4,000 acres per mile for 500 miles, between Sudbury and Port Arthur. This land has not yet been selected and no financial assistance has been received from it.

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

Canadian Northern Quebec Railway—

The Quebec Government granted the following acreages on the Lines mentioned:—

Garneau and Quebec, Limoilou Branch.....	152,150 acres.
Main Line to Bridge.....	10,320 "
St. Jerome Branch.....	30,400 "
St. Jacques to Rawdon.....	47,880 "
Valcartier.....	11,400 "
Gosford.....	13,500 "
Montreal-Grenville.....	120,000 "
Roberval (J. B. & E.).....	120,000 "

This land has not yet been selected and no financial assistance has been received from it.

Halifax & South Western Ry.—

Lands.....	\$ 300,000 00
Mortgages.....	\$ 100,000 00
Interest.....	24,909 89
	—————
	124,909 89
	—————
	\$ 175,090 11

CANADIAN NORTHERN RAILWAY SYSTEM.

EQUIPMENT SUMMARY, DECEMBER 31ST, 1913.

To Purchase under Equipment Trusts.....	\$51,597,111 75
To Purchases by Canadian Northern Ry., direct.....	1,500,596 19
To Purchases by Allied Lines.....	794,699 33
	—————
	\$53,892,407 27

By Cash Payments at time of creation of Equipment Trusts.....	\$13,760,655 08
By Payments in reduction of Equipment trusts.....	14,090,456 67
By Payments direct by Canadian Northern Railway.....	1,500,596 19
By Payments by Allied Lines.....	794,699 33
	—————
	30,146,407 27
Balance due on Equipment Trusts.....	\$23,746,000 00
	—————

4-5 GEORGE V., A. 1914

CANADIAN NORTHERN RAILWAY COMPANY.

EQUIPMENT SECURITIES.

December 31st, 1913.

SUMMARY OF PRINCIPAL AND INTEREST PAYMENTS.

	Principal.	Interest.
1914.....	\$ 3,493,000 00	\$ 1,034,316 25
1915.....	3,497,000 00	875,416 25
1916.....	3,256,000 00	719,091 25
1917.....	3,023,000 00	576,771 25
1918.....	2,653,000 00	456,523 75
1919.....	2,488,000 00	330,451 25
1920.....	2,188,000 00	210,341 25
1921.....	1,708,000 00	121,391 25
1922.....	1,095,000 00	50,037 50
1923.....	345,000 00	8,687 50
	<hr/> \$ 23,746,000 00	<hr/> \$ 4,383,027 50

OFFICE OF THE SOLICITOR GENERAL OF CANADA.

OTTAWA, April 4th, 1914.

DEAR SIR.—Referring to the audit made by yourself and Messrs Shannon and Saunders, relative to the expenditure for construction of the Canadian Northern Railway and its allied lines by the Canadian Northern Railway and the Mackenzie & Mann Company, Limited, the Government would like to have certain further information relative thereto.

Statement 3 submitted with your report shows a balance due on construction and equipment account of \$21,262,527.26 and since the receipt of your report the officials of the Mackenzie & Mann Company, Limited, have submitted a statement showing how this is made up; a certain portion being due contractors and others and the balance, some \$10,000,000.00 being shown as presumably due banks.

The Government would like to investigate and report upon this statement with the object of obtaining your certificate that it is correct and would particularly instruct that you investigate the amount owing to the banks with the object of ascertaining yourself that the Canadian Northern Railway are in no way liable by way of endorsement of the use of any of their assets as collateral to the loans.

I would further like you to make an audit of the Canadian Northern Railway bank account and to submit a certified statement of their standing.

My desire is to obtain from you an independent certificate of direct and indirect and contingent liabilities of the Canadian Northern Railway Company and of all allied lines.

You are hereby authorized to call in such experts as may be thought necessary to assist you in obtaining the necessary information.

MR. GRAHAM A. BELL

Financial Comptroller,

Department of Railways and Canals
Ottawa.

Yours very truly,

ARTHUR MEIGHEN.

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

OFFICE OF THE SOLICITOR GENERAL OF CANADA.

OTTAWA, April 6th, 1914.

Mr. GRAHAM A. BELL,
Financial Comptroller,
Ottawa, Ont.

DEAR SIR,—Supplementary to my letter of the 4th inst., I would like you further to investigate and report on the following:—

1. Re capital stock issues of the following companies lodged with the National Trust Company Limited as trustees and if so what is the nature of the trust and did they automatically revert back to the Canadian Northern Railway upon discharge of certain obligations, and if so, what obligations.

- (a) Canadian Northern Railway Express Co., Limited.
- (b) Canadian Northern Transfer Company.
- (c) Canadian Northern Telegraph Company.
- (d) Canadian Northern Steamships Limited.
- (e) Lake Superior Terminals Co., Limited.
- (f) Minnesota & Ontario Bridge Company.
- (g) Marmora Railway & Mining Company.
- (h) St. Boniface & Western Land Co.
- (i) Winnipeg Land Company, Limited.

2. Report upon Canadian Northern Systems Terminals, Limited, Canadian Northern Manitoba Railway, and Qu'Appelle, Long Lake & Saskatchewan Railway, such particulars as would have been given in your report of March 31st last had these Companies appeared in Statement 1 and such subsequent statements as referred to the Companies named in Statement 1.

3. Are the Manitoba leased lines taken by the Canadian Northern from the Manitoba Government by assignment of lease still the property of the C. N. R. in same way as they were after such assignment was taken.

4. Give tabular statement showing,

- (a) Securities pledged as collateral only, not directly realized on.
- (b) Balance of securities not yet issued but issued without further legislation of Governmental authority.

5. Give further particulars as to the item of \$4,429,433.06 mentioned in statement eight (8) as handed over to trustees giving the obligation thus reduced.

You are authorized to employ in respect of any legal work which is included in the above, Mr. C. A. Masten, Barrister, of Toronto.

Very truly yours,

ARTHUR MEIGHEN.

4-5 GEORGE V., A. 1914

OTTAWA, April 22nd, 1914.

SIR:—Pursuant to instructions contained in your letter of the 4th instant, and of your letter of the 6th instant in respect to further information required as to the financing of the Canadian Northern Railway System, the undersigned have the honour to report that they have obtained the information asked for, which is set out in the following statements, viz:

(PARTIALLY PRINTED.)

- I.—Particulars of accounts and loans of the Contractors on Construction, outstanding 31st December 1913, amounting to \$21,262,527.26
- II.—Declaration by Alfred James Mitchell, Comptroller of Mackenzie, Mann & Company, Limited.
- III.—“A” Statement of the floating liabilities of the Railway Companies embraced in the General Title of the Canadian Northern Railway System.
“B” Statement of balances due by Station Agents, etc, as of December 31st, 1913.
- IV.—Declaration of D. B. Hanna, third Vice-President of the Canadian Northern Railway Company, as to the correctness of No. 3 “A”.
- V.—Memorandum bearing on certain acquired securities deposited with the Trustees under Trust Deed.
- VI.—“A” Certified copy of Trust Deed to secure first Mortgage 4 per cent consolidated debenture stock and bonds, dated June 30th, 1903.
“B” Letter from National Trust Company, Limited, Toronto, *re* Canadian Northern Railway Company 4 per cent perpetual consolidated debenture Mortgage.
- VII.—Memorandum relating to Marmora Railway and Mining Company, Brockville, Westport & Western Railway Central Ontario Railway, Bay of Quinte Railway, Irondale, Bancroft & Ottawa Railway, Canadian Northern Manitoba Railway, Qu’Appelle, Long Lake & Saskatchewan Railway, and the Canadian Northern System Terminals Limited.
- VIII.—Certified copy of Trust Deed to secure an issue of first Mortgage 99—year debenture stock and / or bonds.
- IX.—Memorandum by Mr. Ruel *re* lines in Manitoba leased from the Northern Pacific Railway Company.
- X.—Statutory declaration by Mr. L. W. Mitchell *re* Manitoba leased lines.
- XI.—Statement marked Schedule “A” showing securities pledged as collateral only, not directly realized on.
- XII.—Statement marked Schedule “B” showing securities pledged as collateral to temporary loans.
- XIII.—Certificate *re* Canadian Northern Railway four per cent consolidated debenture stock.
- XIV.—Certificate *re* Canadian Northern Ontario Railway 4 per cent perpetual consolidated debenture stock.
- XV.—Certificate *re* Duluth, Winnipeg, Pacific Railway Company, four per cent first Mortgage debenture stock.
- XVI.—Certificate *re* certain securities held pending sale.
- XVII.—Certificate *re* certain securities issuable.
- XVIII.—Memorandum from Mr. L. W. Mitchell dated April 8th, 1914, *re* Canadian Northern Land Department.

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

XIX.—Letter of National Trust Company confirming No. 18, dated April 11th, 1914.

XX.—Certified copies of;—

“A” Trust Deed of February 1st, 1899.

“B” Trust Deed of February 15th, 1909.

“C” Trust Deed of November 19th, 1913.

XXI.—Declaration by R. P. Ormsby, Assistant Secretary, Canadian Northern Railway, as to Capital Stock of certain subsidiary Companies.

Certain of the above statements have been further verified by sworn declarations, and by certificates from the National Trust Company as Trustees, the Canadian Bank of Commerce as to the bank accounts and Mr. C. A. Masten, K.C., Barrister, etc.

We would particularly draw attention to statement No. 2 being a declaration from the Comptroller of the Contractors, Messrs Mackenzie, Mann & Company, Limited, that the Contractors have made no profit on their work for the Canadian Northern Railway, other than certain fully paid Common Stock, which is set out in a statement in our previous report. This declaration is borne out to our satisfaction, from our investigation of the books of said Contractors, and also of those of the Company.

We have the honour to be, Sir,
Your obedient servants,

G. A. BELL.
Financial Comptroller, Department of Railways
and Canals.

J. C. SAUNDERS.
Chief Accountant and Dominion Book-keeper
Department of Finance.

ARTHUR MEIGHEN, Esq., K.C.,
Solicitor General of Canada, Ottawa, Ont.

4-5 GEORGE V., A. 1914

CANADIAN NORTHERN RAILWAY SYSTEM.

PARTICULARS OF ACCOUNTS OUTSTANDING ON CONSTRUCTION.

31st December, 1913.

SUMMARY.

British Columbia.

Contractors' estimates and material account.....	\$1,108,466 00
Contractors' drawback.....	2,077,448 71

Western lines.

Contractors' estimates and drawback.....	892,275 41
Pay rolls and material accounts.....	1,071,799 31

Eastern lines.

Contractors' drawback.....	1,537,797 67
Contractors' estimates.....	614,841 17
Construction material accounts.....	225,483 79

Equipment.

General.....	1,539,863 87
--------------	--------------

All lines.

Construction loans.....	12,194,551 33
<hr/>	

\$21,262,527 26

CANADIAN NORTHERN RAILWAY SYSTEM.

CONSTRUCTION, EQUIPMENT, TERMINALS, BRANCH LINES, ETC.

December 31st, 1913.

Expenditure.

Can. Nor. Ry.—Construction, etc..	\$109,095,627 25
Equipment trusts.	32,811,467 87
	<hr/>
	\$141,907,095 12
Canadian Northern Pacific Ry.....	34,760,907 76
Canadian Northern Ontario Ry.....	52,815,623 10
Canadian Northern Quebec Ry.....	4,222,889 62
Duluth, Winnipeg & Pacific Ry.....	5,299,681 22
Halifax & South Western Ry.....	5,663,972 42
	<hr/>
	\$244,670,169 24

Receipts.

Cash subsidies—Dominion.

C. N. R.....\$	2,000,332 00
C. N. A.....	2,832,024 00
C. N. P.....	4,349,930 00
C. N. O.....	1,363,122 39
C. N. O.....	6,886,388 00
C. N. O.(J.B.).....	1,872,960 00
C. N. Q.....	707,563 83
H. & S. W.....	1,364,210 00

Provincial.

H. & S. W.....	2,804,450 00
C. N. R.....	1,072,800 00

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

Municipal.

C. N. R.....	50,000	00
C. N. O.....	20,000	00
\$25,323,780 22		

Guaranteed securities.

(Dom.) C.N.R. 3%....	8,523,597	43
" C.N.R. 3½%....	6,873,890	93
" C.N.A. 3½%....	4,391,077	30
(Alta) C.N.R. 4%....	7,866,929	64
" C.N.W. 4½%....	2,407,230	70
" C.N.W. 4½%....	2,563,474	54
(Sask.) C.N.R. 4%....	8,695,043	96
(Man.) C.N.R. 4%....	12,437,344	33
(Man.) C.N.R. 4%....	4,001,734	33
" C.N.R. 4%....	2,987,173	33
(B.C.) C.N.P. 4%....	19,500,598	65
" C.N.P. 4½%....	1,453,171	47
(Ont.) C.N.O. 3½%....	5,591,977	96
" C.N.O. 3½%....	965,000	00
(Dom.) C.N.O. 3½%....	20,149,256	53

Other securities.	\$108,407,501	10
C.N.R. 4%.....	17,602,398	05
" 4% land.....	3,679,125	30
" 5% income.....	12,875,175	99
" 5% land.....	6,200,000	00
" 5% notes.....	1,650,000	00
C.N.O. 4%.....	6,882,713	13
C.N.Q. 4%.....	2,421,164	82
D.W.P. 4%.....	4,704,225	39
H. & Y Bonds.....	675,000	00
H. & S. W. land.....	175,090	11
I. Rolling Stock Co.....	32,811,467	87

\$223,407,641 98

Balance.....\$ 21,262,527 26

CANADIAN NORTHERN RAILWAY SYSTEM.

FLOATING LIABILITIES, AS UNDER, OF THE RAILWAY COMPANIES, EMBRACED IN
THE GENERAL TITLE OF THE CANADIAN NORTHERN RAILWAY SYSTEM.

Canadian Northern Railway Co.....	\$6,565,652	61
Canadian Northern Ontario Railway.....	767,059	21
Canadian Northern Quebec Railway.....	1,250,490	67
Quebec & Lake St. John Railway.....	683,466	88
Duluth, Winnipeg & Pacific Railway.....	522,293	99
Halifax & South Western Railway.....	191,261	16
Central Ontario Railway.....	190,291	11
Bay of Quinte Railway.....	173,114	58
Irondale, Bancroft & Ottawa Railway.....	7,949	00
Brockville, Westport & North Western Railway.....	56,549	09
	\$ 10,408,128	30

4-5 GEORGE V., A. 1914

CANADIAN NORTHERN RAILWAY SYSTEM.

SCHEDULE "A"

SECURITIES PLEDGED AS COLLATERAL ONLY—NOT DIRECTLY REALIZED UPON.

	Date Mtge.		Collateral To
C. N. Alta. Ry. 3½% Dom. Gt. Deb. Stock..... Mar.,	1911	£733,561	C. N. Ry. 6% Gold Notes, \$3,500,000.
C.N. Ont. Ry. 3½% Dom. Gt. Deb. Stock..... Oct.,	1911	293,837	C. N. Ry. 6% Gold Notes, \$3,500,000.
C.N. Ry. 4% Deb. Stock Guart. by Alta..... June,	1909	450,000	C. N. Ry. Secured Notes £2,000,000
C.N. Ry. 4% Deb. Stock Guart. by Sask'n..... May,	1910	500,000	C. N. Ry. Secured Notes £2,000,000
C.N. Ry. 4% Deb. Stock Guart. by Man..... Mar.	1910	300,000	C. N. Ry. Secured Notes £2,000,000
C.N. Ry. 4% Deb. Stock Guart. by B. C..... April,	1910	550,000	C. N. Ry. Secured Notes, £2,000,000.
C.N. Ry. 4% Perp. Cons. Deb. Stock..... June,	1903	750,000	C. N. Ry. Secured Notes, £2,000,000.
C.N. Ry. 4% Perp. Cons. Deb. Stock..... June,	1903	177,261	C. N. Ry. 5% Secured Notes, £450,000.
C.N.P. 4% Deb. Stock Guart. by B. C..... April,	1910	392,739	C. N. Ry. 5% Secured Notes, £450,000
C.N. Ont. Ry. 4% Perp. Deb. Stock..... June,	1909	532,192	C. N. Ont. 3½% Dom. Gt. Deb. Stock.
		£ 4,679,590	

Certified Correct,

D. B. HANNA,
Third Vice-President.

SESSIONAL PAPERS Nos. 269b, i, j, l, m.

CANADIAN NORTHERN RAILWAY SYSTEM.

SCHEDULE "B."

SECURITIES PLEDGED AS COLLATERAL TO TEMPORARY LOANS.

	Date Mortgage.				Market Value, Dec. 1913		Currency.
C.N. Ont. Ry. 4% Cons. Deb. Stock	June 1909	£	525,000	75½	£ 396,375	\$ 1,929,025 00	
C.N. Ry. 4% Perp. Cons. Deb. Stock	June 1903		155,000	84	652,335	3,174,697 00	
C.N. Ry. 4% Perp. Cons. Deb. Stock	June 1903		46,590	.....	.....	.....
C.N. Ry. 4% Perp. Cons. Deb. Stock	June 1903		175,000	.....	.....	.....
C.N. Ry. 4% Perp. Cons. Deb. Stock	June 1903		400,000	.....	.....	.....
C.N. Ry. 4% Deb. Stock Guart. by Alberta	June 1909		44,495	88	215,155	1,047,087 66	
C.N. Ry. 4% Deb. Stock Guart. by Alberta	June 1909		200,000	.....	.....	.....
C.N. Ry. 5% Land Mtge. Deb. Stock	Nov. 1913		44,110	95	1,751,904	8,525,932 78	
C.N. Ry. 5% Land Mtge. Deb. Stock	Nov. 1913		960,000	.....	.....	.....
C.N. Ry. 5% Land Mtge. Deb. Stock	Nov. 1913		840,000	.....	.....	.....
National Trust Company 4% Land Certs	.....	\$	1,657,500	.....	.....	1,500,000 00
C.N. Western Ry. 4½% Deb. Stock Guart. by Alberta	June 1912	£	1,320,000	93	1,227,600	5,974,320 00	
C.N.P. 4½ Term. Deb. Stock Guart. by British Columbia	July 1913		345,000	95	446,500	2,172,966 66	
C.N.P. 4½% Term. Deb. Stock Guart. by British Columbia	.....		125,000	.....	.....	.....
Amount of Loans outstanding against securities	.....	£	4,254,219	.....	At Par...	24,324,029 10
Equity	.....		.....	.....	.....	20,703,865 00
						3,620,164 10	

Certified correct,

D. B. HANNA,
Third Vice-President.

4-5 GEORGE V., A. 1914

CANADIAN NORTHERN RAILWAY.

4% PERPETUAL CONSOLIDATED DEBENTURE STOCK.

£ 10,297,544	Amount Stock issued as per statement filed.	
927,261	Held as collateral security to 5% note issues.	
900,000	Held by Canadian Bank of Commerce for safe keeping—See Certificate.	
26,590	Balance of amount issued and held as collateral security to temporary loans in London as per statement already submitted.	£ 175,000 155,000 46,590 400,000
£ 12,151,395		£ 776,590
£ 12,187,544	Amount created and authorized to be issued by Trustees. Certificate attached herewith.	
£ 26,149	Balance unissued.	

Certified correct,

D. B. HANNA,
Third Vice-President.

CANADIAN NORTHERN RAILWAY SYSTEM.

SCHEDULE "D."

SECURITIES ISSUABLE.

Canadian Northern Railway—

4% Consolidated Perpetual Debenture Stock in Bank.....	£ 900,000
--	-----------

Balance Issuable:

On Mileage.....	£ 334,934	
On Terminals.....	300,000	634,934
	£ 1,534,934	\$ 7,470,012 13

Canadian Northern Ry.—

5% Land Mortgage Debenture Stock...	£ 155,890	758,664 66
		\$ 8,228,676 79

NOTE:—There is an equity in securities held as collateral to temporary loans as per statement..... \$ 3,620,164 00

Certified correct,

D. B. HANNA,
Third Vice-President.

